

Jim Gibbons
Governor

STATE OF NEVADA



James Groth, Director
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OFFICE OF THE GOVERNOR
NEVADA STATE OFFICE OF ENERGY

March 26, 2010

Barry Brady
JC Penney Properties, Inc
11111 Stead Boulevard
Reno, NV 89506

Re: Certificate of Eligibility for JC Penney Distribution Center,
CE-EB009- FY2011 (EB-RN009-2009)

Dear Mr. Brady;

The Nevada State Office of Energy is pleased to grant this **Certificate of Eligibility** for the JC Penney Distribution Center project, which was certified at the LEED EB Silver level with 46 points. After reviewing your certificate of eligibility application received on February 1, 2010, we have concluded that the JC Penney Distribution Center project is eligible for a partial property tax abatement based on the provisions of NAC 701A.280.

As per NAC 701A.280, JC Penney Distribution Center is granted the following partial property tax abatement for

(a) a **duration of 9 years and in an annual amount that equals 25 percent** of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land.

(b) building(s):

JC Penney Distribution Center, 1,629,177 square ft
APN 090-090-05 and 090-090-10, 11111 Stead Boulevard, Reno, Washoe
County, NV 89506

(c) commencing with FY 11 (July 01, 2010).

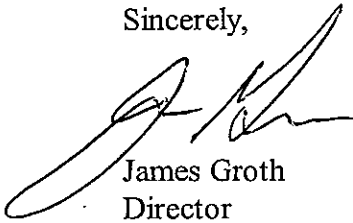
Please forward copies of your redacted certificate of eligibility application to the following agencies: Chief of the Budget Division of the Department of Administration (Attn: Reese Tietje); Department of Taxation (Attn: Terry Rubald) ; Commission on Economic Development; County Assessor;

County Treasurer; and County/City Manager before April 9, 2010. Please also forward our office the copy of your cover letters and the proof of delivery to these agencies before April 9, 2010.

Please note that duration of abatement is subject to compliance with NAC 701A.260 (Attachment I). It will be the responsibility of registrant and tax abatement coordinator to comply with all of the requirements and be aware of the dates (Attachment II) for listed requirements in NAC 701A.260, as our office will not be sending out reminder notices.

Should you have any questions regarding the LEED process, please contact Ms Lorayn Walser at (775) 687-1850 x 7308 or lwalsen@energy.nv.gov.

Sincerely,



James Groth
Director

Enclosures:

- 1) NAC 701A.260
- 2) List of required documents and dates as per NAC 701A.260

CC: Lorayn Walser, Management Analyst, NSOE

Tina Burke, Deputy Director

Marci Tenhundfeld, KPMG

Rich Wright, JC Penney

Reese Tietje, Budget Division, Nevada Department of Administration

Terry Rubald, Chief, Nevada Department of Taxation

Michael Skaggs, Executive Director, Commission on Economic Development

Josh Wilson, Washoe County Assessor

Tammi Davis, Washoe County Treasurer

Katy Simon, Washoe County Manager

Donna Dreska, Reno City Manager